

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1067-01
Bill No.: Truly Agreed to and Finally Passed HB 261
Subject: Retirement - Local Government; Retirement Systems and Benefits - General
Type: Original
Date: May 18, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials with the **Local Government Employees Retirement System** and **County Employees Retirement System** assume no fiscal impact to their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill creates two new benefit options in the Local Government Employees' Retirement System (LAGERS).

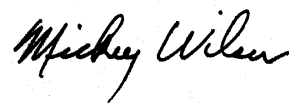
Members covered by the new benefit programs will receive a benefit equal to 1.75% of the member's final average salary multiplied by the number of years of creditable service. Certain members retiring due to early retirement, 80 and out, or mandatory retirement will receive a temporary allowance equal to .25% of the member's final average salary multiplied by the number of years of creditable service. This temporary benefit will terminate at the end of the calendar month in which the member dies or attains age 65.

After August 28, 2005, political subdivisions may not elect coverage under the new programs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Local Government Employee Retirement System
County Employees Retirement System



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L.R. No. 1067-01
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Page 4 of 4
May 18, 2005

Director
May 18, 2005